

LETTER 54/14

TO THE

SHAREHOLDERS

OF THE

Vermont Central Railroad

FROM

JOSIAH QUINCY, JR.

MARCH, 1852.

BOSTON:
1852.
EASTBURN'S PRESS.

BOSTON, MARCH 12, 1852.

To the Shareholders of the Vermont Central Railroad.

GENTLEMEN,

On the 24th day of July, 1849, Ex-Governor Paine of Vermont called upon me, and requested me to take the office of Treasurer of the Vermont Central Railroad, of which he was President. I at first decidedly refused. I wished for no addition to my income, and was not inclined to involve myself in so vast an undertaking.

I was afterwards urged by members of the Board of Directors of the Vermont Central, and by eminent men, interested in the whole line of Northern Roads, to accept the office.

I was reminded of the important enterprises already accomplished—that the South Cove which added seventy acres to the territory of Boston, and the Western Railroad which had added millions to its property, had been carried through, in large measure, by my credit and influence—and that besides many other public works of minor importance my exertions had greatly contributed to the introduction of the waters of the Cochituate which had given health and purity to my native city. One great enterprise, I was told, alone remained—the connection of Boston by Railroad with Lake Ontario at Ogdensburg, and with the St. Lawrence at Montreal.

An opportunity, it was said, was thus offered, such as no man had ever had before, or would have again, of advancing the prosperity of the City and of all New England.

I was told that my acceptance of the office of Treasurer would insure the immediate completion of this great enterprise, and that I should save the proprietors of the Stock in these Roads from an almost total loss of their investments.

The position and wants of the Vermont Central Railroad Company were stated to me to be correctly set forth in the Report of the Directors, dated July 18th, 1849, made one week before.

By this Report it appeared that the assets of the Company consisted of

Assessments due on Old Stock,	-	-	-	-	252,329.32
“ “ “ New “	-	-	-	-	55,959.33
Cash in Treasurer's hands, Deposites, Notes Receivable, Boston and Providence Railroad Stock,	-	-			73,437.32
Farms, Wood lots, &c. to be sold,	-	-	-	-	25,000.00
					<hr/> 406,725.97

And the floating debt was for Notes Payable,	-	-	-	-	327,332.39
Outstanding Bills,	-	-	-	-	33,531.05
					<hr/> 360,863.44

Surplus balance in favor of the Company,	-	-			\$45,862.53
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And the Bonded Debt amounted to \$297,300, payable in 1852.

And there had been paid in on assessments, \$3,145,573.88.

And that by the estimate of the Engineer, it required to finish and equip the road but \$830,000.

This statement was so favorable that I had no doubt of my being able, with the resources I possessed, to complete this important work.

The urgency upon me to undertake it was so great, that I took it into consideration, and consulted Mr. Abbott Lawrence and several of our principal financiers, who agreed with me in the opinion that it might be done within two years, and taking it for granted that the Report of the Company was correct, at no real risk.

Being still unwilling to embark in so great an enterprise, I laid the subject before my immediate friends, who decided that under the circumstances in which I was placed, having the opportunity and the power of conferring so great a benefit on the public, it was my duty to do it.

I accordingly had an interview with the Directors of the Vermont Central Railroad at which I told them I would accept the office of their Treasurer—but that as to compensation it was a responsibility I would not undertake for money. That twenty thousand Shares of the Stock had been offered to the Shareholders at fifty dollars a Share and but four thousand two hundred and fifty were taken; that in place of compensation, and to give confidence in the Stock I would receive the right to take the balance of said Stock at that price on the first of May, 1850. If it were worth more the profit was my pay, if it were not, I should receive my payment in a consciousness of having discharged this great duty.

But the completion of the Vermont Central Railroad uniting Boston with Lake Champlain at Burlington, was but a small part of this undertaking. The great object was to connect Boston with Ogdensburg and Montreal. This required the construction of the Vermont and Canada Railroad which had not been begun, and of the Ogdensburg Railroad which though commenced, was all but stopped by want of funds.

I accepted the office of Treasurer of the Vermont Central on the 26th of July, 1849, to enter on its duties the 1st of September.

On the 2d of August I went to Ogdensburg with J. Wiley Edmands, Esq., one of the Directors of that Company.

About thirty miles of this road were completed and

we rode in wagons over the rest of the line. The work was almost stationary, and the Engineer lamented that he could not, from want of funds, take advantage of the very favorable opportunity offered by the low state of the rivers, to put in the foundations for bridges and culverts.

At Rouse's Point I met the Directors of the Vermont and Canada line, and rode over their proposed route to Essex and Burlington. On my return to Boston I met Mr. Edmands, and told him that in my opinion it was perfectly practicable to complete the whole line within two years, and that if he would find means to complete the Ogdensburg, I would undertake to build the Vermont and Canada, without which, as an essential link, the means for building the Ogdensburg could not be raised.

He assented. A meeting of the Shareholders in the Ogdensburg Railway, was called at Cochituate Hall. Mr. Edmands and myself gave a full statement of the situation of the work. The meeting was addressed by Mr. Abbott Lawrence and others, and the result was a subscription for bonds that completed the road.

The Vermont and Canada connecting the Vermont Central at Essex, with the Ogdensburg at Rouse's Point, a distance of forty-six miles, had been surveyed, and was ready for contract. But to obtain subscribers to the Stock was hopeless. The plan of building it with bonds issued by the Vermont Central Company, which was at first thought of, was found to be illegal, and was prevented by an injunction. Under those circumstances, I recommended that the Vermont Central should take a permanent lease of the Vermont and Canada Railroad and pay a rent equal to 8 per cent. per annum, on its cost—this met with the assent of the

Shareholders. The lease was approved by an unanimous vote, and I became Treasurer of the Vermont and Canada Railroad Company.

As I have already stated I accepted the office of Treasurer of the Vermont Central on the 26th of July, and before the close of the ensuing month the whole plan of operations had been decided, which would complete the Vermont Central, the Vermont and Canada and the Ogdensburg Road.

The lease of the Vermont and Canada was executed on the 24th of August, 1849, and a subscription for stock was opened, but, notwithstanding the inducements offered, no one would subscribe.

The charter required that stock to the amount of one hundred thousand dollars should be taken before the work was commenced. Of this I took ninety-four thousand four hundred dollars myself. This I did solely to evince my confidence in the undertaking and to comply with the condition of the charter. I paid in my first instalment in cash, and on that basis this all important road was commenced, and, with the aid of the endorsements of the Directors for funds to be paid out on the road, finished, with a rapidity, economy and perfection, that will compare favorably with any road in or out of New England. I became personally responsible for \$1,284,000, for which, as yet, I have received no compensation other than my salary as Treasurer.

I speak of these facts as historical. There is, I believe, no one connected with this enterprise who will not acknowledge that this great and all important line of Railroads, connecting Lake Ontario at Ogdensburg, and the St. Lawrence at Montreal, with the harbor of Boston, would not have been completed for years without my credit and exertions.

In the summer of 1851 this continuous line of Railroads was finished ; and at the celebration of the completion of this great enterprise in Boston, September 19, 1851, the President of the United States and the Governor General of Canada, met, for the first time, to exchange congratulations on the opening of the communication between the waters of the St. Lawrence, Lake Ontario and the Atlantic ; a union recognized by them as equally important to the far extending territories of our republic and those of Great Britain.

For three days did the pageant continue in the streets of our metropolis, and in the harbor of Boston ; among the thousands assembled, friendships were formed, new business relations entered into, and it was universally acknowledged a new era had commenced—advancing not alone the prosperity of Boston and of New England, but also of the United States and Canada, by the union of the interests and commerce of two great and kindred nations in new and indissoluble bonds.

The importance of this great enterprise was recognized across the Atlantic, and after the celebration of its successful completion, Lord Palmerston, through the Minister from England, returned the thanks of his Sovereign to the Government of the United States, for the liberality and hospitality then evinced, and the facility of continued communication opened with the territories of the British Crown.

The great objects which had induced me to engage in these undertakings having been thus attained, and the importance of these results having been thus acknowledged and celebrated in Europe as well as the United States, I regarded my success as complete, and all important risk to me personally at an end. The

powers vested in me by agreement, by votes of the Directors, with the sanction of the Stockholders, yet remained unquestioned, in my possession, and although for the entire completion of the works it was necessary to raise further funds, yet with those powers and with the issue of mortgage bonds which was contemplated, I anticipated no difficulty in bringing both works and all my responsibilities to a triumphant and satisfactory conclusion.

The idea never entered into my mind as a possibility after such satisfactory results from my arrangements, and while my name was on a million and a half of their paper, that under any pretence I could be superseded, and the powers I had enjoyed without a question or a murmur, should at such a stage of the operations be taken from my hands. And at the moment when all financial difficulties were in a manner surmounted, the management of the concerns should be transferred to gentlemen, who had no agency in obtaining the former facilities, and that I should be left to bear up alone without the assistance of those powers, a burden of debt, incurred in the service of the Corporation.

But that such is the fact I trust I shall be able to demonstrate to every independent and disinterested mind.

On the 15th of November 1851, the Directors took the management of the affairs of the Corporation out of my hands, contrary to their written agreement, for no reason that I am aware of, except that *I had used and pledged as security for my own private debts*, the bonds of the Vermont Central Railroad, which had been delivered to me in my individual capacity, as collateral for my endorsements for the Company, *they having*,

by contract, no right, at that time, to demand possession of those bonds.

Now it is my object, and I am prepared to show that I had a right so to use and apply those bonds—that in the circumstances in which I had placed myself for the service of the Company, such use of those bonds was inevitable—that such use of them was sanctioned by both the Directors and the Shareholders, and that THE SO CALLED “PRIVATE DEBTS,” WERE IN FACT DEBTS INCURRED FOR THE BENEFIT OF THE COMPANY.

When I entered into this office, private debts I had none, which required the protection or guarantee of the Vermont Central Railroad. Those debts which are called “*my private debts*,” would never have required the guarantee of any one, my private property and credit being ample, to command all necessary facilities, had it not been for the unexpected liabilities I was compelled to take for this Corporation, and by the consequent necessity of sustaining its credit as well as my own.

The only question therefore is, whether from the votes and proceedings of the Company I had authority to contract such debts on my private and personal credit, and to pledge the bonds of the Company for their payment.

This question I am desirous to leave to the decision of impartial men, and I trust that if it cannot by amicable agreement, be thus settled, that in some form it may be effected through the instrumentality of a legal tribunal.

The unlimited authority thus given me by the Directors, is to be accounted for from the fact of my position at that time, and their own.

I was a man of sufficient fortune, my books showing

a balance of about \$400,000 in my favor, and I was out of business. That my name could command money no other evidence need be adduced than that in June 1849, I had received \$2,500 from the Vermont Central Company for endorsing their paper for \$100,000, holding their bonds at fifty cents on the dollar as collateral.

The Corporation of the Vermont Central was without funds, without credit, and without resources. An attempt had been made to raise the means for going on, by the issue of stock at fifty dollars a share, which had signally failed.

Obtaining the assistance of some capitalist was, as I was told, again and again, by the Directors, the only means of preventing the stoppage of the work, and moreover that there was no capitalist but myself who would do it.

There can, therefore, be no doubt that it was the duty and interest of the Directors, under those circumstances, to secure my services at any rate, and on any terms I proposed; and it was clearly understood that if I identified myself with, and became responsible for, the Vermont Central Company, I should have full power to use its name, and pledge its property, in any way I deemed expedient.

The votes, my own action under them, the statement of gentlemen who composed the Board, the action of the Stockholders at their annual meeting, and subsequent course of the Directors, are evidence of my authority.

The Board in September, 1849, consisted of Charles Paine, of Northfield; James R. Langdon, of Montpelier; John Peck, of Burlington; Gardner Brewer, Joseph Bell, Franklin Haven, and Thomas Gray, of Boston.

The present Board consists of Charles Paine, of Northfield; James R. Langdon, of Montpelier; C. O. Whitmore, J. P. Putnam, and James C. Dunn, of Boston; John Smith, of St. Albans, and John H. Peck, of Burlington.

First, the votes of the Boards:—

At a meeting of the Directors of the Vermont Central, held on the thirty-first of August, 1849, [the day before I assumed the active duties of Treasurer].

It was—

Voted, That Josiah Quincy, Jr., be authorized to pledge any of the bonds or scrip of this Corporation as security for its debts or liabilities, and in like manner to pledge any of said bonds or scrip as security for any debts or liabilities, which he shall incur in his private capacity for the use or benefit of the Corporation.

And, at a meeting of the Directors of the Vermont and Canada Railroad, held at Boston on the 24th of August, 1849, present John Smith, Charles Paine, S. S. Lewis, and Laurence Brainerd, on motion, it was—

Ordered, That the signature or endorsement of Josiah Quincy, Jr., as Treasurer, on any notes or drafts, shall be binding on this Corporation to all intents and purposes.

The second article of my original agreement with the Corporation, is as follows:

“Said Quincy’s duties as Treasurer shall include the ordinary and legal duties of a Treasurer, and also the endorsing of all negotiable paper, which shall be necessary for conducting advantageously the affairs of the Company. He will also use all reasonable and proper pains to procure the necessary money by the sale and discount of said paper, the loss and discount thereon to be borne by said Company. The financial business of the Company shall as far as convenient, be transacted at said Quincy’s office in Boston.”

This agreement with the vote which authorized me to pledge the bonds for *the benefit* of the Corporation, constituted me in all cases sole judge of what would be beneficial to it either directly or indirectly.

This understanding is proved by my own action. It was well known by money lenders that I gave either the Corporation note endorsed by myself, or my own note endorsed by the Corporation, or the Corporation note secured by bonds, or my own note secured by bonds, at their option.

Every loan made by banks directly, was with one exception on my note secured by bonds, their directors preferring my individual name with the bonds, to that of the Company. About two millions and a half of dollars were borrowed on this security and part of it FROM DIRECTORS OF THE VERMONT CENTRAL, AND MEMBERS OF THE COMMITTEE ON FINANCE.

Such was the understanding of the Directors at the time. From statements that have been publicly made by the Directors of 1849, I expected to have placed this beyond controversy by their evidence. But the suggestion of counsel that they may be personally liable for the power that they had granted, compels me to resort to evidence that I should gladly have avoided.

The following paper and certificate speak for themselves.

[COPY.]

"We, the undersigned members of the Board of Directors of the Vermont Central Railroad, and Committee of Finance for 1849, hereby certify: that when Mr. Quincy accepted the office of Treasurer of the Company, it was on condition, and with the clear understanding, that he had a perfect right, so far as the Board of Directors could [*lawfully*] give it, to use the name, and pledge the securities of the Corporation in any manner and for any purpose that he deemed best; and generally to manage its concerns in the same way as if they were his own.

"This extraordinary power was given, as one of the considerations for his having agreed to endorse for the Corporation: and as the only means of saving the Railroad from immediate stoppage, and insuring its speedy completion."

[COPY.]

"I hereby certify, that on or about the 9th day of January, 1852, the identical paper above written, was prepared in my office, for the signature of Mr. Gardner Brewer, who was then present, or in Mr. Quincy's office adjoining. It was read by Mr. Brewer, the word "lawfully" not being then contained in it. He remarked that it was, every word, true; and agreed to sign it. He went on to mention other facts and views in confirmation of its statements. On being asked to sign it, he said he should like to have Mr. Franklin Haven sign it, with him. He went to Mr. Haven's office, and returned saying Mr. H. was not there. He conversed some time longer; and, in the course of his remarks, said he had seen two others, of the old Directors,—one of whom was Mr. Thomas Gray;—the name of the other, I do not recollect,—that they were stronger even than he was as to the absolute power intended to be given by the Directors to Mr. Quincy. I again urged him to sign the paper,—saying that the others might just as well, sign afterwards. He agreed to do so; but remarked that he should like to show the paper to his counsel, and would be back with it in a few minutes. He returned shortly after, and said again, that every word of the paper was true; and that its only fault was it was not strong enough: and he said he would say so everywhere: he would go to a Stockholders' meeting and tell them so. He said: 'Why, the Directors understood so perfectly, that we had given absolute power to Mr. Quincy, to do what he pleased, that we did not feel authorized to step behind his counter, to look at the Corporation's books; or, to ask what he was doing.' I said: 'These facts may be of the greatest importance to Mr. Quincy, and if they are true, you owe it to him to state them in writing.' He said he should have no objection to doing so:—but was afraid he might make himself legally responsible, for having conferred such unlimited power. I remarked to him, that if this was his objection to signing the paper, I would protect him, by inserting the word 'lawfully;' so that he need not admit, in writing, that the Directors had given any power, except such as they could lawfully give:—and I interlined the word accordingly. He, however, declined subscribing the paper, saying finally, that his counsel had advised him that it would be safest for him not to sign anything. Mr. Brewer, however, at no time qualified his original assertion; but throughout reiterated his statement, that the paper was strictly true.

ELLIS GRAY LORING.

Boston, January 24, 1852.

This power was not only given by the Directors, but it was brought to the knowledge of and sanctioned by the Stockholders.

At a meeting of the Stockholders the following gentlemen were appointed a committee of investigation:—President John Wheeler, Prof. G. W. Benedict, and Daniel Baldwin, Esq.

At the Annual meeting held at Burlington on the 26th of November, 1850, they submitted a report, in which they stated that “it is not to be forgotten, too, that so far as the Treasurer gives his individual endorsement for the Company, he is entitled to a special bond security in his favor to twice the amount. It would seem that a Company whose debt is so small, compared with the amount actually paid in, with a road of such extent and prospects for business, ought to be able to obtain any moderate sum at the lowest rates of interest and without *cost and risk* for endorsement.”

After this report they submitted the following resolution, for the adoption of the Shareholders:

Resolved, That the annulling of the 7th by-law of the Company by the Directors, and giving to the Treasurer uncontrolled discretion, to bind the Company in any pecuniary obligations, without even the knowledge of any of the Directors, was a departure from sound principles of management on the part of the Directors to which there ought to be an immediate return.

When the acceptance of this report and the adoption of this resolution were under consideration, I addressed the meeting and told the Stockholders that it was true that I had absolute power over the finances. That in the language of the Resolve, the Directors had given “*to the Treasurer uncontrolled discretion to bind the Company in any pecuniary obligations, without even the knowledge of any of the Directors.*”

That such was the condition on which I agreed to become responsible for the Corporation, AND THE ONLY CONDITION ON WHICH I WOULD REMAIN RESPONSIBLE.

The result was, the Committee themselves detached the resolution from the Report, and laid it upon the table.

The Shareholders being thus fully informed of the nature of the powers invested in me, and my determination not to continue any longer their Treasurer should those powers be withdrawn, *declined to act upon the resolution*, and thus declared their approval of the course of the Directors.

After these proceedings I acted with the entire conviction that the powers granted by the Directors had been sanctioned by the Shareholders, and whether I was not justified in this conclusion I willingly submit to any impartial mind.

Since that time I have managed the financial affairs of the Corporation without any statement being asked for, or receiving any interference, advice or assistance from the Directors. The original entries were made by agreement at my private office, where the business was transacted and posted from day to day into the books of the Corporation, kept at their own office by a clerk employed and paid by them. And yet they never by word or act gave me reason to imagine that I was mistaken in supposing that I had the sole right of deciding what was for the benefit of a Corporation in which I owned more than a tenth part of the Stock.

But it will be asked: "Do you suppose the Directors of the Vermont Central, expected that so liberal a use, would have been made of the credit of their Corporation? Had it been done for a moderate sum, and had

everything gone smoothly, nothing would have been said or thought of your using a facility in business, when you had ample property to respond, and the sums required by the Corporation were so enormous."

To this question I frankly answer, No. The Directors no more anticipated the amount than I did—and what was the cause?

Before stating it I wish expressly to exonerate all the Directors at that or any subsequent time, from any intentional misrepresentation, as to the situation, or wants of the Company.

As before stated the assets of the Vermont Central Corporation when I took the office of Treasurer, amounted by the report submitted a week previous, to - - - - - \$406,725.97
The notes payable and outstanding bills, to 360,863.44

Leaving a balance in favor of the Co., of \$45,862.53

The assets which I was assured were good, proved to be comparatively worth nothing and the outstanding bills were greatly understated.

Again the bonded debt payable in 1852, was reported in 1849, (see page 4,) to be - - - 297,300 dollars.
When it was in fact, - - - 597,000 "

The Vermont Central required by the estimate of the Engineer to furnish and finish it, - - - 830,000

And the Vermont and Canada, - - - 750,000

\$1,580,000

By the statements made to me in 1849, when I was solicited to accept the office of Treasurer, it required to complete the entire line, ONE MILLION FIVE HUNDRED AND EIGHTY THOUSAND DOLLARS.

There has already been raised—

On new stock of the Vermont Central,	-	-	-	1,500,000
" " " " " Vermont and Canada,	-	-	-	1,250,000
Mortgage bonds of Vermont Central,	-	-	-	2,000,000
				<hr/> 4,750,000

FOUR MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS.

This, however, is but a small sum compared to what I raised by borrowing and reborrowing during the progress of the work.

From the 1st of September, 1849, to the 1st of January, 1852, the footings on the cash books of the receipts and the payments amounted in twenty-eight months to over THIRTY-ONE MILLIONS OF DOLLARS.

Assuming that right to use the name and bonds of the Company, was no part of the consideration I was to receive for my services, as I maintain it was, yet with such votes and with such immense and unlooked for debts and responsibilities and under such circumstances, I was clearly justified in using the facilities of the Corporation in sustaining my own credit, when, if I failed the Corporation failed. Especially when I was placed in the position by misrepresentations; when I had ample means to respond to all the facilities I might use; and, when, from the manner in which I had identified myself with the Corporation, our accounts were from necessity so interwoven, that it was impossible to separate them.

But I do not stop here. I say that there is not an individual note secured by bonds that was not when given, and is not now, within the letter and spirit of my authority, however it may be interpreted.

It was expected that the debt of the Vermont Cen-

tral Company would be met by Bonds, and the Shareholders at their Annual Meeting, held at Northfield, August 27, 1851, authorized an issue at three years, to be sold at a discount of ten per cent., which it was confidently hoped would at once relieve the Corporation. Every exertion was made and every inducement offered to prevail on Shareholders and capitalists to take them, but in vain.

The refusal of the principal Directors to subscribe, and the limitation imposed by the Shareholders of not making a greater discount than 10 per cent. was fatal to the project.

In August I raised

For Vermont and Canada Co.,	-	-	-	-	\$150,172.23
" Vermont Central,	-	-	-	-	832,172.23
					<u>982,344.46</u>

In September, I raised,

For the Vermont Central,	-	-	-	-	825,001.16
Vermont and Canada,	-	-	-	-	149,597.87
					<u>\$974,599.03</u>

And then the Corporations suspended payment with an outstanding debt on notes payable of \$1,573,000, for most of which I was individually responsible.

At a subsequent meeting of Stockholders, held at White River, on the 13th of October, 1851, an issue of mortgage bonds was authorized sufficient to pay all the debts of the Company.

On the 14th of November, Messrs. William Amory, C. O. Whitmore, and John Smith, the trustees under the mortgage, made a report, in which they recommended an issue of mortgage bonds for two millions of dol-

lars, to be sold on such terms, and at such times as should, in the opinion of the Directors, best meet the claims against the Company. As, by the vote of the Stockholders, the Trustees had a right to fix the terms and had put no limitation on the sale, I presumed that my financial difficulties were at an end. My credit was no longer needed by the Corporation. The payment of these debts would take my name from a million and a half of paper,—and with the property I possessed, the facilities I enjoyed, and the growing ease in the money market, I had no doubt whatever that I should soon be placed in nearly as good a financial position as I was when I undertook it, but I was speedily undeceived. On the 15th of November, by a vote of the Directors, *the management of the finances of the Corporation was taken from me, the business of the Corporation removed from my office*, and entrusted to Messrs. C. O. Whitmore, James C. Dunn, and J. P. Putnam, I not being authorized to make a loan or draw a check without their approbation; and for the first time, I was notified, that in the opinion of the Board of Directors of the Vermont Central Company, I had no right to use the name and bonds of the Company for debts, excepting those incurred directly for the Company. I had large amounts of the bonds in my possession. I was offered money to any amount, on my name with them as collateral, but after such an announcement, although I knew it to be unfounded, I refused to borrow, out of a sense of justice to the lenders, and was obliged to meet my notes as they fell due without any aid from the credit of the Corporation.

Finding that the sacrifices I should be compelled to make might lead to a loss by my creditors, I assigned, conditionally, an amount of property, sufficient, as I

supposed, to protect the Corporation from any liabilities they might incur, and to prevent a fear of loss from inducing the Stockholders to sacrifice their stock. The result has been most disastrous to myself. The ground subsequently taken by the Directors that the bonds being under seal are not transferable by delivery, and that they have a right to hold my property until that question is decided, has caused my creditors to bring actions directly against me. By making the assignment for the benefit of the Corporation, of so much of my property, I am deprived of the means I possessed, and of the time I was equitably entitled to, and am forced into bankruptcy, as the best means of extricating myself from my position.

When I accepted the office of Treasurer of the Vermont Central Company, my chief inducement was a desire to carry through, and complete what I considered the most important work ever undertaken in New England. I have devoted myself to its interests to the entire neglect of my own concerns. I have for the last eighteen months been, and am now, the largest Shareholder in the Corporation, being interested in a tenth part of the whole stock, HAVING TAKEN TEN THOUSAND SHARES AT THE REQUEST OF THE DIRECTORS, WHEN IN THEIR OWN LANGUAGE, "THEY WERE UNABLE AFTER GREAT EFFORTS ON THEIR PART TO INDUCE THE SHAREHOLDERS TO TAKE THEM;" and have held them, at their instance, when it was my decided interest to have sold.

I took this stock as I took thousands of shares beside, under the conviction that it was essential to the interests of the Corporation that their shares should not be suffered to sink in the market. Whether I miscalculated my strength in these efforts to bolster the stock

of this gigantic Corporation can never now be known, as the resources on which I calculated to sustain these efforts were withdrawn at the most critical period.

As those efforts were however made by me, mainly with a view to the benefit of the Vermont Central Railroad, I consider all I did in this respect to have been authorized by the general powers granted me, and I hope yet to have the judgment of impartial men on whom the loss of these efforts should fall.

As Treasurer, I have received nothing more than the usual salary of a Treasurer of a Corporation of such magnitude, and that only from the first of May, 1850.

For my endorsements, I have received no valuable compensation, although I have made myself responsible, in my individual capacity, for these Corporations, for over ten millions and a half of dollars.

Had I asked, as I might, two and a half per cent. on my endorsements, it would have been granted, and no capitalist could have been found who would have done it for less; and my commission would have amounted to \$250,000.

I think I am equitably and legally entitled to demand that the whole subject of my compensation and the right to use the Company's bonds may be referred to disinterested persons to decide between us. If the bonds given me, being under seal, cannot be sold so as to make an unquestionable title to the purchaser, then they are of no value as collateral security and I have taken the responsibility of ten millions without the security that was promised. If I had no right to use the bonds as collateral to my own notes, I have never had the compensation in that way to which in all my subsequent arrangements with the Corporation, I supposed I was entitled.

And if I had a right to use them, what compensation ought I to receive for the losses I have sustained in property and credit, and for having my name published throughout the United States, and in every Capital in Europe, as being the cause, of what the public call repudiation ?

I look upon the notice given me by the Directors, that I had no right to apply the bonds of the Corporation to what they denominate "private debts," and their taking from me the control of the finances, as the cause of the present depreciation of the stock, and my failure. By these acts they deprived me of the powers I had relied on ; powers which undeniably had been granted me, and which if they had not been thus suddenly withheld, would have enabled me to extricate myself and the Corporation, without loss or failure.

I am advised that I can maintain actions against the Directors, in their individual capacities, or against the Corporation, or against both, for the damages I have sustained in being deprived of the rights secured to me by contract, and for the replevying, destroying, and otherwise interfering with bonds with which, as they were under a pledge to me for my security, the Corporation had no right to meddle till I was fully indemnified ; an interference ruinous to my business and credit, as well as deeply wounding to my feelings.

But I have no wish to assert my rights in that manner ; for notwithstanding the grievous injury inflicted on me by the action of the Directors, I am not disposed to attribute to them any intentional wrong. They feared that if they exceeded their authority, they might render themselves personally liable to a

ruinous extent; and they proceeded without duly examining the authority under which I acted, or considering the effect of their proceedings upon me.

I have certainly no wish to drag the Company into lawsuits for such large amounts. Their present position is vexatious enough, without superadding the delays and uncertainties of legal proceedings, still further to depress their property. I am also desirous, if possible, to terminate in harmony and with good feelings a connexion formed at the earnest solicitation of gentlemen with whom my association has always been respectful and confidential, and for whom, notwithstanding the injury their acts have occasioned me, I entertain no feelings of unkindness.

The great works which I entered into this connection to effect are completed. In bringing them to their present successful termination, I have assumed labors and incurred responsibilities, which nothing but a sense of their importance to our State, City and vicinity could have induced me to undertake. Through mistaken apprehensions, on the part of others, of the interest of the Corporation, and of my relation to it, I have been deprived of the powers which had been given me by contract, and by which, if they had been continued to me, I should easily have brought the whole concern to a triumphant conclusion, without loss to the Shareholders and without important embarrassments to myself. By the course of proceeding adopted, I have not only been deprived of this satisfaction, but have been involved in losses and subjected to injuries gratuitous and unanticipated, and to which it is impossible for me, with any sense of self respect, or any feeling of regard for my family or friends, to fold my arms, and submit.

Without suggesting the ultimate course which these considerations may compel me to pursue, it is my present intention (if no arrangement can be made with the Directors,) to appeal to the justice, the feeling, and the honor of the Stockholders in the Vermont Central Railroad, and to offer, at a meeting to be called for the purpose, the consideration for adoption of the following propositions, viz :

That all demands and questions in controversy between myself and the Companies shall be referred to the decision of three or five men, mutually to be chosen, who shall have authority to consider in all their relations—the services I have rendered, the labors I have performed, the responsibilities I have incurred, and the injuries I have sustained; together with the compensation I have already received, and any advantages I have derived from the use of the Corporation's credit; with the right also to decide concerning what arrangement shall be made with the property I have transferred to the Corporation, (which I understand the Directors claim to hold against my assignees.) And after a full investigation of the whole subject of controversy, and all its relations, to decide whether any, and if any, what, shall be the indemnification I shall receive from the Corporation for my services and responsibilities in the whole concern; such award to be final, and discharge me from all claims and responsibilities, except such as the terms of the award may specify or include.

To this proposition I will not anticipate that it can be possible for the Stockholders of the Vermont Central Railroad, under the circumstances of the case, to decline to accede.

In conclusion, I feel justified in saying that I have retained my office and held my peace since the 15th of November, from a belief that an open breach with the Directors would have been highly prejudicial to the interests of the Shareholders—being willing to be for a time misunderstood, with the certainty that in the end the public would do me justice.

I have lost my property, but as an individual I can scarcely regret my connection with these Corporations. For I am conscious that I undertook this work from public and patriotic motives, that I have carried it through without selfish or interested ends,—that its losses are in no way attributable to my errors—and that its results will be the constantly increasing wealth and prosperity of my native city, and of the vast regions with which by this line of Railroads it is connected.

With full confidence in the ultimate value of your property,

I am, very respectfully,

JOSIAH QUINCY, JR.

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